

DISCLAIMER

This electronic version of an SCC order is for informational purposes only and is not an official document of the Commission. An official copy may be obtained from the [Clerk of the Commission, Document Control Center](#).

COMMONWEALTH OF VIRGINIA

STATE CORPORATION COMMISSION

AT RICHMOND, JULY 12, 2001

APPLICATION OF

DALE SERVICE CORPORATION

CASE NO. PUE010200

For a general increase in rates

ORDER FOR NOTICE AND HEARING

On April 6, 2001, Dale Service Corporation ("Dale Service" or "Company") completed an application for a general increase in rates for services. In its Application, the Company proposed that rates and charges become effective September 1, 2001. The proposed rates and charges would produce \$4,356,888 in additional annual operating revenues, an increase of approximately 130% over the current rates and charges approved in the Company's last rate case.¹ The Company represents that the additional annual operating revenues are necessary to cover increased operating expenses, debt service, and other costs associated with the debt related to upgrading its wastewater treatment facilities and construction of new facilities in order to meet the wastewater effluent limits in its wastewater

¹ Application of Dale Service Corporation to revise tariffs, Case No. PUE850041, Final Order (February 20, 1986).

discharge permits issued by the Virginia Department of Environmental Quality.

Additionally, on April 6, 2001, Dale Service filed its Petition For Waiver of Rate Case Filing Requirements ("Petition") requesting that the Commission waive each and every rule adopted in its Order Adopting Rules in Case No. PUA990054 (20 VAC 5-200-30) that requires the separation of jurisdictional and non-jurisdictional revenues, expense and investment and to allow the Company's application to proceed on a total company basis.

On June 27, 2001, after discussions with the Commission Staff, Dale Service filed its Amended Application requesting a phase-in of proposed increased rates with the first phase ("Phase I") of the rate increase taking effect, subject to refund, on October 1, 2001, in the amount of \$1,835,433, which is approximately 42% of the requested increase. Phase I rate increase would have the effect of increasing commercial bills, on a quarterly basis, from \$51.00 to \$80.00 and residential rates, on a quarterly basis, from \$40.80 to \$63.00. The Company anticipates that the second phase ("Phase II") of the proposed rate increase will commence on October 1, 2002, and said increase will be no greater than the difference between the original increase (\$4,356,888) and the Phase I rates that will go into effect, subject to refund (\$1,835,433) or \$2,521,455.

Upon consideration of the Company's application, Petition, amended application, and applicable statutes, the Commission finds that this matter should be docketed and that an investigation should be commenced. The Commission also finds that Dale Service should give notice of its application and that public hearings should be convened.

The Commission takes notice of the complex nature of the issues involved in this case and recognizes that it will require the Commission Staff an additional year to complete an examination and audit. The upgrade of Dale Service's wastewater treatment facilities and construction of new facilities on which the cost increases are based will not be complete until the end of 2001 at the earliest. Both the Phase I and Phase II increases will be the focus of the evidentiary hearing. The Commission Staff will investigate the Company's application and present its findings in testimony at the evidentiary hearing. Further, the Commission will allow Phase I of the proposed rates and charges to become effective October 1, 2001, subject to refund, while the reasonableness of those rates and charges is investigated anticipating a Phase II increase to be effective as of October 1, 2002. Finally, the Commission will allow the collective waiver in this current case of each and every rule requiring the separation of jurisdictional and non-

jurisdictional revenues, expense and investment and allow the Dale Service's application to proceed on a total company basis.

Accordingly, IT IS ORDERED THAT:

(1) This matter be docketed and assigned Case No. PUE010200.

(2) Dale Service may put Phase I of its proposed rates and charges in effect on or after October 1, 2001, subject to refund. In addition, Phase II of Dale Service's anticipated rate increase shall be effective as of October 1, 2002, subject to refund.

(3) The Commission shall waive each and every rule in the current rate case, adopted in its Order Adopting Rules in Case No. PUA990054 (20 VAC 5-200-30), that requires the separation of jurisdictional and non-jurisdictional revenues, expense and investment and allow Dale Service's application to proceed on a total company basis.

(4) As provided by § 12.1-31 of the Code of Virginia and Rule 7:1 of the Commission's Rules of Practice and Procedure ("the Rules"), 5 VAC 5-10-520, a hearing examiner is appointed to conduct further proceedings on behalf of the Commission and to file a final report with a transcript of this proceeding.

(5) A public hearing shall be held on this Application beginning at 2:00 p.m. on Monday, September 24, 2001, in the Board Chambers Room of the James J. McCoart Administration

Building, 1 County Complex Court, Prince William, Virginia 22192. Any member of the public desiring to make a statement on the Application need only appear at the Board Chambers Room at 1:45 p.m. on the date of the hearing and identify himself or herself as a public witness to the Commission's bailiff.

(6) A public evidentiary hearing shall be held on Wednesday, September 18, 2002, at 10:00 a.m., in the Commission's second floor courtroom located in the Tyler Building, 1300 East Main Street, Richmond, Virginia.

(7) Any person may obtain copies of Dale Service's Application and supporting testimony and exhibits by contacting the Company's counsel at the following address: Richard D. Gary, Esquire, and Renata M. Manzo, Esquire, Hunton & Williams, Riverfront Plaza, East Tower, 951 East Byrd Street, Richmond, Virginia 23219-4074. Copies are also available for review Monday through Friday, 8:15 a.m. to 5:00 p.m. at the Commission's Document Control Center, First Floor, Tyler Building, 1300 East Main Street, Richmond, Virginia. A copy of this Order is available from the Commission's web site:

<http://www.state.va.us/scc/caseinfo/orders.htm>

(8) On or before June 3, 2002, the Company shall file with the Clerk of the Commission an original and fifteen (15) copies of any additional direct testimony that it intends to present at

the public evidentiary hearing, making a copy of the same available to the public as provided in paragraph (6) above.

(9) Any person wishing to comment on the application shall, on or before June 25, 2002, address such comments to: Joel H. Peck, Clerk, State Corporation Commission, c/o Document Control Center, P.O. Box 2118, Richmond, Virginia 23218-2118. All comments shall refer to Case No. PUE010200.

(10) On or before June 25, 2002, any person expecting to participate as a respondent, as defined in Rule 80 B of the Commission's Rules of Practice and Procedure ("Rules"), 5 VAC 5-20-80 B, shall file with the Clerk at the address setout in (8) an original and fifteen (15) copies of a notice of participation, as required by Rule 80 B, 5 VAC 5-20-80 B, and shall serve a copy on counsel to Dale Service, Richard D. Gary, Esquire, and Renata M. Manzo, Esquire, Hunton & Williams, Riverfront Plaza, East Tower, 951 East Byrd Street, Richmond, Virginia 23219-4074.

(11) Within five (5) days of receipt of a notice of protest, Dale Service shall serve upon each protestant a copy of this order, a copy of the application, and all materials now or hereafter filed with the Commission.

(12) On or before July 19, 2002, all respondents shall file with the Clerk an original and fifteen (15) copies of the testimony and exhibits that the respondent intends to present at

the hearing and shall serve a copy of the testimony and exhibits on counsel to Dale Service and on all other parties.

(13) On or before July 19, 2002, written comments on Dale Service's application may be filed with the Clerk at the address set out in (8) above.

(14) The Commission Staff shall investigate Dale Service's application and, on or before August 22, 2002, shall file with the Clerk of the Commission an original and fifteen (15) copies of the testimony and exhibits Staff intends to present at the evidentiary hearing, and shall serve a copy of the same to counsel for Dale Service and on all other parties.

(15) On or before September 5, 2002, Dale Service may file with the Clerk an original and fifteen (15) copies of all testimony it expects to offer in rebuttal to all direct testimony and exhibits of Commission Staff and protestants and shall serve one copy on all other parties. Additional rebuttal evidence may be presented in response to evidence which was not filed but elicited at the hearing and, provided further, the need for additional rebuttal evidence is timely addressed by motion during the hearing.

(16) Discovery shall be conducted in accordance with Part IV of the Practice Rules, 5 VAC 5-20-260, except that:

- (a) Answers and objections shall be served within ten (10) days after receipt of interrogatories; and

(b) Special motions upon the validity of any objections raised by answers shall be filed within three (3) working days of receipt of the objection.

(17) Forthwith upon receipt of this order, Dale Service shall make available for inspection at its offices during regular business hours copies of its application, testimony, exhibits, this order, and all other materials filed in this proceeding.

(18) On or before July 27, 2001, Dale Service shall complete publication of the following notice to be published as display advertising (not classified advertising) once a week for two consecutive weeks in newspapers of general circulation in the Dale Service area of service:

NOTICE TO THE PUBLIC OF AN APPLICATION
FOR A GENERAL INCREASE IN RATES BY
DALE SERVICE CORPORATION
CASE NO. PUE010200

On April 6, 2001, Dale Service Corporation ("Dale Service" or "the Company") completed an application with the State Corporation Commission ("the Commission") for a general increase in rates and to revise its tariff. The Company's Phase I proposed tariff revisions in the amount of \$1,835,433 are effective October 1, 2001, subject to refund with interest, pending a final determination by the Commission in this matter. An anticipated Phase II increase will become effective as of October 1, 2002. The proposed rates are designed to produce an overall increase of \$4,356,888, in total annual operating revenues, an increase of approximately 130% over the current rates and charges approved in the Company's last

rate case. The Company proposes that the additional annual operating revenues are necessary to cover increased operating expenses, debt service, and other costs associated with the debt related to upgrading its wastewater treatment facilities and construction of new facilities in order to meet the wastewater effluent limits in its wastewater discharge permits issued by the Virginia Department of Environmental Quality.

Dale Service's proposed rates are as follows:

AVAILABILITY OF SERVICE

Available to all metered customers other than customers purchasing water for resale.

PHASE I RATE

<u>Class</u>	<u>Rate Per Quarter</u>	
	<u>Present</u>	<u>Proposed</u>
Residential	\$40.80	\$63.00
Commercial	\$51.00	\$80.00

PLEASE TAKE NOTICE that while the total revenue requirement that may be approved is limited to the amount requested by Dale Service, individual rates and charges, revenue apportionment, and the tariffs approved by the Commission may differ from those proposed by the Company.

The Commission has scheduled a hearing to begin at 10:00 a.m. on Wednesday, September 18, 2002, in the Commission's Second Floor Courtroom located in the Tyler Building, 1300 East Main Street, Richmond, Virginia. A hearing also will be held on Monday, September 24, 2001, in the Board Chambers Room of the James J. McCoart Administration Building, 1 County Complex Court, Prince William, Virginia 22192 to

receive public comment on the Application. Individuals with disabilities who require an accommodation to participate in the hearing should contact the Commission at least seven (7) days before the scheduled hearing date at 1-800-552-7945 (voice) or 1-804-371-9206 (TDD).

A copy of the Company's application and accompanying materials are available for public inspection Monday through Friday, 8:15 a.m. to 5:00 p.m. at the Commission's Clerk's Office, Document Control Center, First Floor, Tyler Building, 1300 East Main Street, Richmond, Virginia. On or after June 3, 2002, a copy of any supplementary direct testimony and exhibits prefiled by the Company will be available for public inspection at the same location. A copy of the Company's application, accompanying materials, and supplementary direct testimony and exhibits also may be obtained by contacting Dale Service's counsel at the following address: Richard D. Gary, Esquire, and Renata M. Manzo, Esquire, Hunton & Williams, Riverfront Plaza, East Tower, 951 East Byrd Street, Richmond, Virginia 23219-4074.

Any person desiring to comment in writing on the application may do so by July 19, 2002. Any such comment shall be directed to Joel H. Peck, Clerk, State Corporation Commission, c/o Document Control Center, P.O. Box 2118, Richmond, Virginia 23218-2118, and shall refer to Case No. PUE010200. Any person desiring to make a statement at a public hearing, either for or against the application, need only appear in the designated location fifteen minutes prior to the scheduled hearing time and identify himself or herself to the Bailiff as a public witness.

Any person who expects to present evidence, cross-examine witnesses, or otherwise participate in the proceedings as

a Protestant, pursuant to Rule 4:6 of the Commission's Rules of Practice and Procedure, 5 VAC 5-10-180, should promptly obtain a copy of the Order for Notice and Hearing from the Clerk of the Commission for full details of the procedural schedule and instructions on participation. All service on the Company in this matter shall be directed to the Company's counsel as follows: Richard D. Gary, Esquire, and Renata M. Manzo, Esquire, Hunton & Williams, Riverfront Plaza, East Tower, 951 East Byrd Street, Richmond, Virginia 23219-4074 and to other Protestants.

All written communications to the Commission regarding this case shall be directed to Joel H. Peck, Clerk, State Corporation Commission, c/o Document Control Center, P.O. Box 2118, Richmond, Virginia 23218-2118, and shall refer to Case No. PUE010200.

DALE SERVICE CORPORATION

(19) The Company shall forthwith serve a copy of this Order on the Chairman of the Board of Supervisors of each county in which the Company offers service, and/or the Mayor or Manager of every city and town (or equivalent officials in counties, cities, and towns having alternate forms of government) in which the Company offers service. Service shall be made by first class mail or delivery to the customary place of business or to the residence of the person served.

(20) At the commencement of the September 18, 2002, evidentiary hearing scheduled herein, the Company shall provide

the Commission with proof of notice as required by paragraphs
(17) and (18) above.